

Message Text

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PAGE 01 NEW DE 11196 310829Z

15

ACTION TRSE-00

INFO OCT-01 EA-07 NEA-10 ISO-00 CIAE-00 DODE-00 NSAE-00

NSCE-00 SSO-00 USIE-00 INRE-00 AID-05 COME-00 EB-07

FRB-03 INR-07 XMB-02 OPIC-03 SP-02 CIEP-01 LAB-04

SIL-01 OMB-01 NSC-05 SS-15 STR-04 CEA-01 L-03 H-02

PA-01 PRS-01 IO-13 /099 W

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O 310809Z JUL 76

FM AMEMBASSY NEW DELHI

TO SECSTATE WASHDC IMMEDIATE 7443

AMEMBASSY MANILA IMMEDIATE

LIMITED OFFICIAL USE NEW DELHI 11196

MANILA FOR USADB

EO 11652: NA

TAGS: EAID, EFIN

SUBJ: INCREASE IN ADB LENDING RATE

1. ECON/COUN CALLED ON M.G. KAUL, SECRETARY, MOF
REGARDING U.S. POSITIONS ON ADB LENDING RATE INCREASE.
GOI SUPPORT FOR FOUR POINTS DETAILED IN REFTEL WAS SOLICITED.

2. ON INCREASING LENDING RATE, GOI WILL SUPPORT
MANAGEMENT PROPOSAL (AND OUR POSITION) TO RAISE RATE TO 9.15.

3. GOI WILL SUPPORT MANAGEMENT ON 10 BAISIS POINT
MOVEMENT FOR AUTOMATIC ADJUSTMENT. KAUL FELT DIFFERENCE
NOT SUBSTANTIAL ENOUGH TO CHANGE GOI POSITION ON THIS.

4. THERE WAS SOME CONFUSION ON COMMITMENT CHARGE.
ACCORDING TO INFORMATION KAUL HAD, ADB MANAGEMENT WAS
PROPOSING CONTINUE REPEAT CONTINUE .75 PERCENT CHARGE, AND
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PAGE 02 NEW DE 11196 310829Z

GOI WAS SUPPORTING THIS. HE WAS NOT AWARE OF ANY PROPOSAL

TO RAISE COMMITMENT CHARGE BUT ALLOWED THAT BOTH GOVERNMENTS
APPARENTLY WERE SUPPORTING A .75 PERCENT COMMITMENT FEE.

5. GOI WOULD SUPPORT CONTINUANCE OF PREMIUM CHARGE FOR
HIGHER INCOME BORROWERS AT 75 BASIS POINTS. AS A FALL
BACK, HOWEVER, GOI WOULD PROBABLY ACCEPT 60 BASIS POINTS.
KAUL AGREED WITH U.S. POSITION THAT A PREMIUM CHARGE FOR
HIGHER INCOME BORROWERS SHOULD BE MAINTAINED AS A MATTER
OF PRINCIPLE.
SAXBE

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: BANK LOANS, INTEREST RATES
Control Number: n/a
Copy: SINGLE
Draft Date: 31 JUL 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: GolinoFR
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D760296-0525
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Handling Restrictions: n/a
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ISecure: 1
Legacy Key: link1976/newtext/t1976071/aaaaaacq.tel
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Original Handling Restrictions: n/a
Original Previous Classification: n/a
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Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
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Review Comment: n/a
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Review Date: 07 JUN 2004
Review Event:
Review Exemptions: n/a
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Margaret P. Grafeld
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EO Systematic Review
04 MAY 2006

Review Media Identifier:
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Review Release Date: n/a
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Secure: OPEN
Status: NATIVE
Subject: INCREASE IN ADB LENDING RATE
TAGS: EAID, EFIN, ABD
To: STATE MANILA
Type: TE
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